

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

RIPPLE LABS, INC., BRADLEY  
GARLINGHOUSE, and CHRISTIAN A.  
LARSEN,

Defendants.

Case No. 1:20-cv-10832-AT-SN

**DECLARATION OF JAMES VALLEE, CO-FOUNDER AND MANAGING DIRECTOR  
OF VALHIL CAPITAL, LLC, IN SUPPORT OF AMICUS BRIEF**

I, James Vallee, hereby declare as follows:

1. I am the Co-Founder and Managing Director of VALHIL CAPITAL, LLC (Valhil), a private equity firm based in Houston, Texas, which owns a portfolio of early-stage companies, brands, and alternate asset classes.
2. Valhil is a Domestic Limited Liability Company incorporated under the laws of the State of Texas, United States of America, having its principal offices at 800 Wilcrest, Suite 206, Houston, Texas 77042.
3. Valhil's business model is centered around promoting innovation and unlocking unrealized potential in emerging economies, primarily using blockchain technology and digital assets.
4. Valhil has integrated XRP in its day-to-day operations and portfolio management.

5. Valhil compensates its executives in XRP, and its portfolio investments maintain their excess cash in digital assets, including XRP.
6. Valhil has major investment projects, both domestic and international, that are premised and dependent on XRP and the XRP Ledger.
7. Valhil implemented a policy in April 2020 that the firm and each of its portfolio companies would be required to maintain all “excess cash” (i.e., cash not needed for “fiat dollar-denominated” payables within the forward 30 days) in XRP. On average, this amounted to approximately 80% of cash and cash equivalents on a consolidated basis being maintained in XRP.
8. Valhil compensates its executives and one of its portfolio company CEOs in XRP, many of whom use XRP for everyday activities, such as purchasing groceries or gas.
9. One of Valhil’s most significant investments is in its portfolio company, Deltawave Energy.
10. Deltawave is among the first transparent carbon accounting protocols to harness digital asset blockchain technology for use in the oil and gas industry.
11. Deltawave is currently valued at approximately \$50 million and seeks to create an operating system that substantially streamlines the oil and gas supply chain by matching (a) the distribution and allocation of value among the various stakeholders across the industry (e.g., operators, working interest holders, royalty interest owners, service providers, taxing authorities, and others) to (b) the actual physical flow of hydrocarbons through natural gas distribution systems.

12. Deltawave will provide an automated carbon emissions analysis service accelerating the energy sector's transition to an "on-chain" carbon economy, ultimately making it easier to build a more sustainable, carbon neutral energy industry. Deltawave will also include an ESG carbon tracking component.

13. Deltawave will accelerate payments sent and received among the various stakeholders to near real time, primarily through the use of XRP.

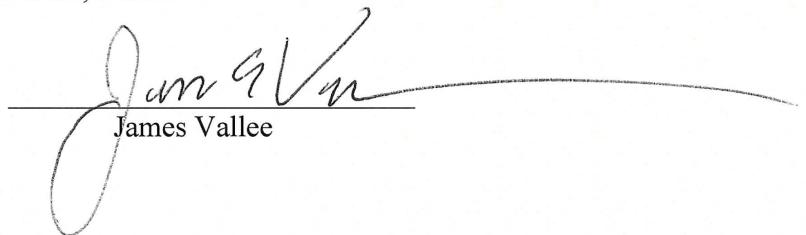
14. Deltawave's transactions and carbon accounting rely on XRP to provide instant and cost-efficient settlement and will be recorded on the XRPL blockchain, rendering the records of those transactions auditable, immutable, and secure.

15. Deltawave is projected to reduce operating costs for back-office accounting and administrative expenses by up to 40%, due to its reliance on XRP.

16. Valhil conducted extensive due diligence before integrating XRP into its day-to-day operations and portfolio and operated under the good faith belief that XRP is a virtual currency outside the regulatory purview of the Securities and Exchange Commission.

Pursuant to 28 U.S. Code § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed this 31<sup>st</sup> day of October 2022, at Houston, Texas.



The image shows a handwritten signature in black ink, which appears to read "James Vallee". Below the signature, the name "James Vallee" is printed in a smaller, standard font.